

AN ACT FINANCING THE PRODUCTION AND PRESERVATION OF HOUSING FOR LOW AND MODERATE INCOME RESIDENTS.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to authorize forthwith the financing of the production and preservation of housing for low and moderate income citizens of the commonwealth and to make related changes in certain laws, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. To provide for a capital outlay program to rehabilitate, produce and modernize state-owned public housing developments; to preserve the affordability and the income mix of state-assisted multifamily developments; to support home ownership and rental housing opportunities for low and moderate income citizens; to stem urban blight through the implementation of housing stabilization programs; to support housing production for the elderly, disabled and homeless; to preserve housing for the elderly, the homeless and low and moderate income citizens and people with disabilities; and to promote economic reinvestment through the funding of infrastructure improvements, the sums set forth in section 2, for the several purposes and subject to the conditions specified in this act, are hereby made available subject to the laws regulating the disbursement of public funds.

SECTION 2.

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

*Office of the Secretary.*

- 7004-0028 For a program of loan guarantees or interest subsidies to assist homeowners with blindness or severe disabilities in making modifications to their primary residence for the purpose of improved accessibility or to allow those homeowners to live independently in the community; provided, that the secretary shall take all steps necessary to minimize the program's administrative costs; provided further, that the loan guarantees shall be available on the basis of a sliding scale that relates the homeowner's income and assets to the cost of home modifications; provided further, that interest subsidies shall be means-tested and may be for 0 per cent pursuant to income standards developed by the secretary; provided further, that the repayment of the loans may be delayed until the sale of the principal residence by the homeowner; provided further, that persons residing in a development covered by section 4 of chapter 151B of the General Laws shall not be eligible for the program unless the owner can show that the modification is an undue financial burden; provided further, that the secretary shall consult with the Massachusetts commission for the blind and the Massachusetts rehabilitation commission in developing the rules, regulations and guidelines for the program; provided further, that nothing herein shall give rise to enforceable legal rights in any party or an enforceable entitlement to services; and provided further, that the secretary shall submit quarterly reports to the house and senate committees on ways and means and the joint committee on housing detailing the status of the program established herein ..... \$50,000,000
- 7004-0029 For state financial assistance in the form of loans for the development of community-based housing for the mentally ill and mentally retarded; provided, that the loan program shall be administered by the department of housing and community development, hereinafter referred to in this item as the department, through contracts with the Massachusetts Development Finance Agency established in chapter 23G of the General Laws, the Community Economic Development Assistance Corporation established in chapter 40H of the General Laws, operating agencies established pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency established in chapter 708 of the acts of 1966; provided further, that those agencies may develop or finance community-based housing, or may enter into subcontracts with nonprofit organizations established pursuant to chapter 180 of the General Laws or organizations in which such nonprofit corporations have a controlling financial or managerial interest or for-profit organizations; provided, however, that preference for the subcontracts shall be given to nonprofit organizations; provided

further, that the department shall consider a balanced geographic plan for such community-based housing when issuing the loans; provided further, that the department shall consider development of a balanced range of housing models by prioritizing funds for integrated housing as defined by the appropriate housing and service agencies including, but not limited to, the department of housing and community development, the Massachusetts rehabilitation commission, the department of mental health and the department of mental retardation, in consultation with relevant and interested clients, their families, advocates and other parties as necessary; provided further, that loans issued pursuant to this item shall: (1) not exceed 50 per cent of the financing of the total development costs; (2) be issued only when a contract or agreement for the use of the property for such housing provides for repayment to the commonwealth at the time of disposition of the property in an amount equal to the commonwealth's proportional contribution from the Facilities Consolidation Fund to the cost of the development through payments made by the state agency making the contract; (3) only be issued when a contract or agreement for the use of the property for the purposes of such housing provides for the recording of a deed restriction in the registry of deeds or the registry district of the land court of the county in which the real property is located, for the benefit of the departments, running with the land, that the land be used to provide community-based housing for eligible individuals as determined by the department of mental health and the department of mental retardation; provided, that the property shall not be released from such restriction until the balance of the principal and interest for the loan has been repaid in full or until a mortgage foreclosure deed has been recorded; (4) be issued for a term not to exceed 30 years during which time repayment may be deferred by the loan issuing authority unless, at the end of any fiscal year, cash collections from all sources in connection with a community-based housing project, except for contributions, donations or grant moneys, exceed 105 per cent of cash expenditures on behalf of the project, including debt service, operating expenses and capital reserves, in which event such excess cash shall be paid to the commonwealth within 45 days of the end of the fiscal year, payable first to interest due hereunder and thereafter to principal advanced pursuant to the loan; provided further, that if on the date the loans become due and payable to the commonwealth an outstanding balance exists, and if, on such date, the department, in consultation with the executive office of health and human services, determines that there still exists a need for such housing and that there is continued funding available for the provision of services to such development, the department may, by agreement with the owner of the development, extend the loans for such periods, each period not to exceed 10 years, as the department shall determine; provided, however, that the project shall remain affordable housing for the duration of the loan term, including any extension thereof, as set forth in the contract or agreement entered into by the department; and provided further, that in the event the terms of repayment detailed in this item would cause a project authorized by this item to become ineligible to receive federal funds which would otherwise assist in the development of that project, the department may waive the terms of repayment which would cause the project to become ineligible; and (5) have interest rates fixed at a rate, to be determined by the department, in consultation with the state treasurer; provided further, that expenditures from this item shall not be made for the purpose of refinancing outstanding mortgage loans for community-based housing in existence prior to the effective date of this act; provided further, that community-based housing projects developed pursuant to this item shall not be refinanced during the term of any loan issued pursuant to this item unless the balance of the principal and interest for such loan has been repaid in full at the time of such refinancing; provided further, that the community-based housing projects may be

refinanced if the refinancing would result in a reduction of costs paid by the commonwealth; provided further, that a refinanced loan shall be due and payable on a date not later than the date on which the original loan was due and payable, except in accordance with clause (4) when necessary to effect extraordinary repairs or maintenance which shall be approved by the commissioner of mental retardation or the commissioner of mental health, as the case may be, and the department; provided further, that the loans shall be provided only for projects conforming to the provisions of this item; provided further, that the loans shall be issued in accordance with a facilities consolidation plan prepared by the secretary of health and human services, reviewed and approved by the department and filed with the secretary for administration and finance and the house and senate committees on ways and means and the joint committee on housing; provided further, that no expenditure shall be made from this item without the prior approval of the secretary for administration and finance; provided further, that the department, the department of mental health and the Community Economic Development Assistance Corporation may identify appropriate financing mechanisms and guidelines for grants or loans from this item to promote private development to produce housing, to provide for independent integrated living opportunities, to write down building and operating costs and to serve households at or below 15 per cent of area median income for the benefit of department of mental health clients; provided further, that not more than \$10,000,000 may be expended from this item for a pilot program of community-based housing loans to serve mentally ill homeless individuals in the current or former care of the department of mental health; provided further, that in implementing the pilot program, the department shall consider a balanced geographic plan when establishing community-based residences; provided further, that the housing services made available pursuant to such loans shall not be construed as a right or an entitlement for any individual or class of persons to the benefits of the pilot program; provided further, that eligibility for the pilot program shall be established by regulations promulgated by the department; provided further, that the department shall promulgate regulations pursuant to chapter 30A of the General Laws for the implementation, administration and enforcement of this item, consistent with the facilities consolidation plan prepared by the secretary of health and human services, and after consultation with the secretary and the commissioner of the division of capital asset management and maintenance ..... \$40,000,000

7004-0030 For state financial assistance in the form of loans for the development and redevelopment of community-based housing for persons with disabilities who are institutionalized or at risk of being institutionalized, who are not eligible for housing developed pursuant to item 7004-0029; provided, that the loan program shall be administered by the department of housing and community development, hereinafter referred to in this item as the department, through contracts with the Massachusetts Development Finance Agency established in chapter 23G of the General Laws, the Community Economic Development Assistance Corporation established in chapter 40H of the General Laws, operating agencies established pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency established in chapter 708 of the acts of 1966; provided further, that the agencies may develop or finance the community-based housing, or may enter into subcontracts with nonprofit organizations established pursuant to chapter 180 of the General Laws or organizations in which such nonprofit corporations have a controlling financial or managerial interest or for-profit organizations; provided, however, that preference for such subcontracts shall be given to nonprofit organizations; provided further, that the department shall consider a balanced geographic plan for such community-based housing when issuing the loans; provided further, that all housing developed with these funds shall be integrated housing as defined by the appropriate state housing and service agencies including,

but not limited to, the department, the department of mental health, and the department of mental retardation in consultation with relevant and interested clients, their families, advocates, and other parties as necessary; provided further, that loans issued pursuant to this item shall: (1) not exceed 50 per cent of the financing of the total development costs; (2) be issued only when a contract or agreement for the use of the property for the purposes of such housing provides for repayment to the commonwealth at the time of disposition of the property in an amount equal to the commonwealth's proportional contribution from community based housing to the cost of the development through payments made by the state agency making the contract; (3) only be issued when a contract or agreement for the use of the property for the purposes of such community-based housing provides for the recording of a deed restriction in the registry of deeds or the registry district of the land court of the county in which the real property is located, for the benefit of the departments, running with the land, that the land be used to provide community-based housing for eligible individuals as determined by the Massachusetts rehabilitation commission or other agency of the executive office of health and human services; provided further, that the property shall not be released from such restrictions until the balance of the principal and interest for the loan has been repaid in full or until a mortgage foreclosure deed has been recorded; (4) be issued for a term not to exceed 30 years during which time repayment may be deferred by the loan issuing authority unless, at the end of any fiscal year, cash collections from all sources in connection with a community-based housing project, except for contributions, donations or grant moneys, exceed 105 per cent of cash expenditures on behalf of the project, including debt service, operating expenses, and capital reserves, in which event such excess cash shall be paid to the commonwealth within 45 days of the end of the fiscal year, payable first to interest due hereunder and thereafter to principal advanced pursuant to the loan; provided further, that if on the date the loans become due and payable to the commonwealth an outstanding balance exists, and if on that date, the department, in consultation with the executive office of health and human services, determines that there still exists a need for such housing, the department may, by agreement with the owner of the development, extend the loans for such periods, each period not exceed 10 years, as the department shall determine; provided, however, that the project shall continue to remain affordable housing for the duration of the loan term, including any extensions thereof, as set forth in the contract or agreement entered into by the department; and provided further, that in the event the terms of repayment detailed in this item would cause a project authorized by this item to become ineligible to receive federal funds which would otherwise assist in the development of that project, that commissioner may waive the terms of repayment which would cause the project to become ineligible; and (5) have interest rates fixed at a rate, to be determined by the department, in consultation with the state treasurer; provided further, that expenditures from this item shall not be made for the purpose of refinancing outstanding mortgage loans for community-based housing in existence before the effective date of this act; provided further, that community-based housing projects developed pursuant to this item shall not be refinanced during the term of any loan issued pursuant to this item unless the balance of the principal and interest for such loan is repaid in full at the time of such refinancing; provided further, that the community-based housing projects may be refinanced if the refinancing would result in a reduction of costs paid by the commonwealth; provided further, that a refinanced loan shall be due and payable not later than the date on which the original loan was due and payable, except in accordance with clause (4) of this item or when necessary to effect extraordinary repairs or maintenance which shall be approved by the commissioner of the Massachusetts rehabilitation commission or other agency of the executive office of health and human services, as

appropriate, and the department; provided further, the loans shall be provided only for projects conforming to this item; provided further, that the loans shall be issued in accordance with an enhancing community-based services plan prepared by the secretary of health and human services, in consultation with the department and filed with the secretary for administration and finance and the house and senate committees on ways and means and the joint committee on housing; provided further, that no expenditure shall be made from this item without the prior approval of the secretary for administration and finance; provided further, that the department shall promulgate regulations pursuant to chapter 30A of the General Laws for the implementation, administration and enforcement of this item, consistent with the enhancing community-based services plan prepared by the secretary of health and human services after consultation with the secretary and the commissioner of capital asset management and maintenance ..... \$30,000,000

*Department of Housing and Community Development.*

7004-0031 For the capitalization of the Affordable Housing Trust Fund, established in section 2 of chapter 121D of the General Laws ..... \$220,000,000

7004-0032 For the purpose of state financial assistance in the form of grants or loans for the Housing Stabilization and Investment Trust Fund established in section 2 of chapter 121F of the General Laws and awarded only pursuant to the criteria established therein; provided, that not less than 25 per cent shall be used to fund projects which preserve and produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development; provided further, that if the department of housing and community development has not been able to meet the spending authorized under the bond cap for this program, at the end of each year following the effective date of this act, the department may award the remaining funds to projects that serve households earning more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development; provided further, that not less than \$5,000,000 shall be expended for the production or preservation of housing for people age 60 and over; and provided further, that not less than \$10,000,000 shall be expended to stabilize and promote reinvestment, through homeownership, in areas the department has determined to be weak markets as indicated by a high concentration of assisted rental housing or a low rate of homeownership or low median family income or low average sales prices or high levels of unpaid property taxes or vacant or abandoned buildings and, after making the finding, the department may waive the requirements of this section and said chapter 121F which are found to be inconsistent with promoting homeownership in weak markets and take other steps necessary to promote homeownership in the weak market including, but not limited to, reducing the length of required affordability to not less than 10 years and permitting the funded property to be purchased by a household whose income at the time of purchase does not exceed 135 per cent of the area median income, adjusted for family size, or both; provided however, that the purchaser shall own and occupy the property as his primary residence ..... \$125,000,000

7004-0033 For the purpose of state financial assistance in the form of grants for projects undertaken pursuant to clause (j) of section 26 of chapter 121B of the General Laws; provided, that contracts entered into by the department of housing and community development for those projects may include, but shall not be limited to, projects providing for renovation, remodeling, reconstruction, redevelopment and hazardous material abatement, including asbestos and lead paint, and for compliance with state codes and laws and for adaptations necessary for compliance with the Americans with Disabilities Act, the provision of day care facilities, learning centers and teen service centers and the adaptation of units for families and persons with disabilities; provided further, that priority shall be given to projects undertaken for the purpose of compliance with state codes and laws or for other purposes related to the health and safety of

residents; provided further, that funds may be expended from this item to make such modifications to congregate housing units as may be necessary to increase the occupancy rate of those units; provided further, that the department, in consultation with housing authorities, may establish a program to provide predictable funds to be used flexibly by housing authorities for capital improvements to extend the useful life of state-assisted public housing; provided further, that not less than 25 per cent shall be used to fund projects which preserve or produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development; and provided further, that a capital reserve account shall be administered by the department..... \$500,000,000

7004-0034 For the purpose of state financial assistance in the form of grants for a 5 year demonstration program, administered by the department of housing and community development to demonstrate cost effective revitalization methods for state-aided family and elderly-disabled public housing that seek to reduce the need for future state modernization funding; provided further, that housing authorities with state-aided housing developments pursuant to chapter 200 of the acts of 1948, chapter 667 of the acts of 1954 or chapter 705 of the acts of 1966 shall be eligible to participate in demonstration program; provided further, that the department shall establish a 7-member advisory committee, to consist of the director of the department or his designee, 1 member selected by Citizens' Housing and Planning Association, 1 member selected by the Massachusetts Chapter of the National Association of Housing and Redevelopment Officials, 1 member selected by the Massachusetts Union of Public Housing Tenants and 3 additional members chosen by the department to provide advice and recommendations to the department regarding regulations to implement the demonstration program; provided further, that grants shall be awarded on a competitive basis; provided further, that the department may exempt a recipient of demonstration grants from the requirements of chapter 7 and chapter 121B of the General Laws upon a showing by the recipient that such exemptions are necessary to accomplish the effective revitalization of public housing and will not adversely affect public housing residents or applicants of any income who are otherwise eligible; provided further, that the department may provide to recipients of demonstration grants such additional regulatory relief as is required to further the objectives of the demonstration program; provided further, that funds shall be made available for technical assistance provided by the Community Economic Development Assistance Corporation established in chapter 40H of the General Laws or the Massachusetts Housing Partnership Fund established pursuant to section 35 of chapter 405 of the acts of 1985 to recipients of demonstration grants and for evaluation of the demonstration; provided further, that the department shall promulgate regulations for the implementation, administration and enforcement of this item within 90 days after the effective date of this act; provided, however, that the regulations shall: (i) require that housing authorities selected demonstrate innovative, replicable solutions to the management, marketing or capital needs of state-aided family and elderly-disabled public housing developments and contribute to the continued viability of the housing as a resource for public housing eligible residents; (ii) encourage proposals that demonstrate regional collaborations among housing authorities; and (iii) encourage proposals that propose new affordable housing units on municipally-owned land, underutilized public housing sites or other land owned by the housing authority; and provided further, that the department shall report to the house and senate committees on ways and means and the joint committee on housing on the progress of the demonstration program within 90 days after promulgation of the regulations and annually thereafter..... \$50,000,000

7004-0035 For the purpose of state financial assistance in the form of community development action grants to be awarded

pursuant to section 57A of chapter 121B of the General Laws; provided, however, that notwithstanding said section 57A of said chapter 121B, any eligible city or town may designate a community development corporation organized pursuant to chapter 40F of the General Laws to act on its behalf; provided further, that not less than \$2,000,000 shall be used for projects in seriously distressed areas having a significant amount of vacant land or buildings, as defined by the department of housing and community development; and provided further, that projects funded from this item shall be consistent with the principles of smart growth, as defined by the department ..... \$55,000,000

7004-0036 For the purpose of state financial assistance in the form of grants or loans for the Housing Innovations Trust Fund established in section 2 of chapter 121E of the General Laws; provided, however, that not less than 25 per cent shall be used to fund projects which preserve and produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development ..... \$75,000,000

7004-0037 For the purpose of state financial assistance in the form of grants or loans for the Capital Improvement and Preservation Trust Fund for expiring use properties established in section 2 of chapter 121G of the General Laws ..... \$100,000,000

7004-0038 For the purpose of providing financial support for developing residential housing units within neighborhood commercial areas including, but not limited to, those areas designated as Main street areas; provided, however, that the developments may include projects which have residential units above commercial space and shall be located in areas characterized by a predominance of commercial land uses, a high daytime or business population or a high concentration of daytime traffic and parking; provided further, that the department of housing and community development shall give priority to developments for which municipalities have adopted a housing tax increment financing plan in an urban center housing zone pursuant to section 60 of chapter 40 of the General Laws; provided, further, that \$15,000,000 shall be used to fund transit-oriented housing developments in proximity to public transit nodes; provided further, that eligible activities for transit-oriented development shall include, without limitation, planning grants, financing subsidies and environmental assessment; and provided further, that not less than 50 per cent of the beneficiaries of housing in projects assisted by this item shall be persons whose income is not more than 80 per cent of the area median income as defined by the United States Department of Housing and Urban Development ..... \$30,000,000

SECTION 3. Section 53A of chapter 29 of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by inserting after the first sentence the following 2 sentences:- In addition to and without compliance with the foregoing, the state treasurer may, upon request of the governor, issue and sell refunding bonds of the commonwealth in an amount to be specified by the governor from time to time for the purpose of substituting fixed-rate bonds for variable-rate bonds or 1 form of variable-rate bonds for another. The proceeds of any refunding bonds authorized by this section may also be used to purchase bonds in lieu of paying such bonds at maturity or redemption, through a tender offer or otherwise, whereupon the state treasurer may declare the purchased bonds to be paid in full.

SECTION 4. Subsection (b) of section 6I of chapter 62 of the General Laws, as so appearing, is hereby amended by striking out paragraph (1) and inserting in place thereof the following paragraph:-

(1) There shall be a Massachusetts low-income housing tax credit. The department may authorize annually under this section together with section 31H of chapter 63 the total sum of: (i) \$10,000,000; (ii) unused Massachusetts low-income housing tax credits, if any, for the preceding calendar years; and (iii) Massachusetts low-income housing tax credits returned to the department by a qualified Massachusetts project.

SECTION 5. Subsection (b) of section 31H of chapter 63 of the General Laws, as so appearing, is hereby amended by striking out paragraph (1) and inserting in place thereof the following paragraph:-

(1) There shall be a Massachusetts low-income housing tax credit. The department may authorize annually under this section together with section 6I of chapter 62 the total sum of: (i) \$10,000,000; (ii) unused Massachusetts low-income housing tax credits, if any, for the preceding calendar years; and (iii)

any Massachusetts low-income housing tax credits returned to the department by a qualified Massachusetts project.

SECTION 6. The General Laws are hereby amended by inserting after chapter 121D the following 3 chapters:-

CHAPTER 121E

*HOUSING INNOVATIONS TRUST FUND*

Section 1. As used in this chapter the following words shall, unless the context clearly requires otherwise, have the following meanings:-

"Alternative forms of rental and ownership housing", shall include, but not be limited to: single room occupancy units; limited equity cooperative housing; transitional housing for the homeless; battered women's shelters; mutual housing; housing acquired by nonprofit entities pursuant to Title II of the National Emergency Low Income Housing Preservation Act of 1987 and Title VI of the National Affordable Housing Act of 1990; employer assisted housing; lease-to-purchase housing; housing produced pursuant to a court-approved receivership; innovative forms of housing which seek to mitigate the adverse impact on housing affordability in communities with high concentrations of college or university students; joint projects between municipalities or housing development agencies and institutions of higher education designed to produce or preserve affordable units within those areas; and other innovative forms of housing.

"Area median income", income as determined by the United States Department of Housing and Urban Development.

"Authorities", the Massachusetts Development Finance Agency established in chapter 23G, community development corporations established pursuant to chapter 40F, the Community Economic Development Assistance Corporation established in chapter 40H, operating agencies established pursuant to chapter 121B, the Massachusetts Housing Finance Agency, established in chapter 708 of the acts of 1966 and nonprofit agencies certified by the United States Department of Housing and Urban Development as community housing development organizations.

"Department", the department of housing and community development.

"Fund", the Housing Innovations Trust Fund established in section 2.

Section 2. (a) There shall be within the department a separate fund to be known as the Housing Innovations Trust Fund. The department shall administer the fund for the purpose of making grants and loans to public or quasi-public entities to facilitate the production and retention of alternative forms of rental and ownership housing; provided, however, that 25 per cent of the beneficiaries of the fund shall be persons whose income shall not exceed 30 per cent of the area median income and 50 per cent of the beneficiaries of the fund shall be persons whose income not exceed 80 per cent of the area median income. The department shall give preference to those projects that provide transitional or permanent housing for homeless individuals and families and disabled persons. The fund shall be an expendable trust fund and shall not be subject to appropriation.

(b) There shall be credited to the fund revenue from appropriations or other monies authorized by the general court and specifically designated for the fund and any gifts, grants, private contributions, repayment of loans, fees and charges imposed relative to the making of loans, grants, subsidies, credit enhancements and other financial assistance, investment income earned on the fund's assets and any other sources. Money remaining in the fund at the end of a fiscal year shall not revert to the General Fund.

(c) The department shall provide assistance from the fund using only the criteria established in this chapter for projects owned or sponsored by authorities including but not limited to, projects that involve complex multiple-source financing or the preservation of existing affordable housing; provided, however, that no assistance shall be authorized unless the sponsor thereof is current on all existing mortgage obligations with the commonwealth or any political subdivision thereof. The department shall enter into agreements with the Community Economic Development Assistance Corporation to provide assistance from the fund for projects owned or sponsored by nonprofit organizations.

Section 3. (a) The fund shall finance low and no interest loans, grants, subsidies, credit enhancements and other financial assistance for alternative forms of rental and ownership housing; provided, however, that assistance shall be the minimum amount necessary to make a project feasible. Activities eligible for assistance from the fund shall include, but not be limited to: (1) capital grants and deferred payment loans for new construction, rehabilitation or acquisition of alternative forms of rental and ownership housing units; (2) capital grants and deferred payment loans for new construction, rehabilitation or acquisition of alternative forms of rental and ownership housing for homeless families and individuals; (3) mortgage insurance guarantees and other credit enhancements for alternative forms of rental and ownership housing; (4) projects making alternative forms of rental and ownership housing more accessible to senior citizens and persons with disabilities; (5) matching funds for municipalities that sponsor alternative forms of rental and ownership housing initiatives; and (6) matching funds for employer-based programs to assist employees in meeting their rental and homeownership housing costs.

(b) A loan program established pursuant to subsection (a) shall be administered by the department through contracts with authorities. The authorities may, pursuant to the terms and conditions of contracts with the



department, directly issue loans for the purposes of the program or may enter into subcontracts with nonprofit organizations established pursuant to chapter 180 for those purposes. Loans issued directly or indirectly by those organizations shall be: (1) subject to the review and approval of the department; (2) limited to not more than 50 per cent of the financing of the total development costs; provided, however, that this limitation shall not apply to loans provided for the establishment of battered women's shelters which loans may be provided in amounts up to 80 per cent of the financing of total development costs; and provided further, that those loans shall not exceed \$2,500,000 per project; (3) issued only if a contract or agreement for the use of the property for housing purposes provides for the recording of a restriction in the registry of deeds or the registry district of the land court in the county in which the affected real property is located, for the benefit of the department, running with the land, that the land be used for providing alternative forms of rental and ownership housing; provided further, that the property shall not be released from the restriction until the balance of the principal and interest for the loan shall be repaid in full or until a mortgage foreclosure deed shall be recorded; (4) issued for a term of up to 30 years during which time repayment may be deferred by the loan issuing authority unless, at the end of a fiscal year, cash collections from all sources in connection with the housing, except for contributions, donations or grant moneys, exceed 105 per cent of cash expenditures on behalf of the housing, including debt service, operating expenses, operating reserves and capital reserves; provided further, that any excess cash shall be paid to the commonwealth within 45 days after the end of the fiscal year, payable first to interest due under this section and then to principal advanced pursuant to the loan; provided further, that if on the date the loans become due and payable to the commonwealth an outstanding balance exists, the loans may be extended for periods of not more than 10 years, as the department determines, provided that the project continues to remain affordable housing as set forth in the contract or agreement entered into for the duration of the project by the department; and provided further, that in the event that the terms of repayment detailed in this section would cause a project authorized by this chapter to become ineligible to receive federal funds which would otherwise assist in the development of that project, the department may waive the terms of repayment which would cause the project to become ineligible; (5) subject interest rates as fixed by the department, in consultation with the state treasurer; (6) issued once the department considers a balanced geographic plan for any alternative forms of housing; and (7) for projects developed pursuant to this chapter not refinanced during the term of a loan issued pursuant to this chapter unless the balance of the principal and interest for the prior loan is repaid in full at the time of the refinancing; provided, however, that housing projects may be refinanced if the refinancing would result in a reduction of costs paid by the commonwealth; provided further, that a refinanced loan shall be due and payable not later than the date on which the prior loan was due and payable, except in accordance with clause (4) or when necessary to effect extraordinary repairs or maintenance to be approved by the department.

Section 4. For 120 days after the expiration of affordability restrictions on housing assisted under this chapter, the department or its assignee, who is a qualified developer selected pursuant to the terms of this section under the guidelines of the department, shall have an option to purchase that property at its current appraised value, less any remaining obligations of the owner upon the expiration of the affordability restrictions. The department or its assignee may purchase or acquire the housing only for the purposes of preserving or providing affordable housing. Failure to exercise the purchase option within the 120-day period shall constitute a waiver of the purchase option by the department or its assignee. Two impartial appraisers shall determine, within 60 days after the expiration of the affordability restrictions, the current appraised value in accordance with recognized professional standards. Two professionals in the field of multi-unit residential housing shall each select an appraiser. The owner and the department, respectively, shall each designate a professional within 30 days after the expiration of the affordability restrictions. If there is a difference in the valuations, the valuations shall be added together and divided by 2 to determine the current appraised value of the property. No sale, transfer or other disposition of the property shall be consummated until either the purchase option period shall have expired or the owner shall have been notified, in writing, by the department or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the department or its assignee, mailed to the owner by certified mail at the address specified in the notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period. If the purchase option has been assigned to a qualified developer selected pursuant to this section, the written notice shall state the name and address of the developer and the terms and conditions of the assignment. Before any sale or transfer or other disposition of the housing where the department has not previously exercised an option to purchase, an owner shall offer the department or its assignee, who shall be a qualified developer selected pursuant to this section, a first refusal option to meet a

bona fide offer to purchase the property. The owner shall provide to the department or its assignee written notice by regular and certified mail, return receipt requested, of the owner's intention to sell, transfer or otherwise dispose of the property. The department or its assignee shall hold the first refusal option for the first 120 days after receipt of the owner's written notice of intent to transfer the property. Failure to respond to the written notice of intent to sell, transfer or otherwise dispose of the property within the 120-day period after the receipt thereof shall constitute a waiver of the first refusal option by the department. No sale, transfer or other disposition of the property shall be consummated until either the first refusal option period shall have expired or the owner shall have been notified in writing by the department or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the department or its assignee, mailed to the owner by certified mail at the address specified in the notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period. If the first refusal option has been assigned to a qualified developer selected pursuant to this section, the written notice shall state the name and address of the developer and the terms and conditions of the assignment. An affidavit before a notary public that the notice of intent was mailed on behalf of an owner shall conclusively establish the manner and time of the giving of notice the affidavit and notice that the option will not be exercised shall be recorded in the registry of deeds or the registry district of the land court of the county in which the affected real property is located. Each notice of intention, notice of exercise of the purchase option or first refusal option and notice that the purchase option or first refusal option will not be exercised shall contain the name of the record owner of the property and a reasonable description of the premises to be sold or converted and each affidavit, signed before a notary public, shall have attached to it a copy of the notice of intention to which it relates. The notices of intention shall be mailed to the relevant parties, in the care of the keeper of records for the party in question. Upon notifying the owner in writing of its intention to exercise its purchase option or first refusal option during the 120-day period, the department or its assignee shall have an additional 120 days, beginning on the date the purchase option period or first refusal option period expires, to purchase the property. Those time periods may be extended by mutual agreement between the department or its assignee and the owner of the property. Any extension agreed upon shall be recorded in the registry of deeds or the registry district of the land court of the county in which the affected real property is located. Within a reasonable time after requesting an extension, the owner shall make available to the department or its assignee any information that is reasonably necessary for the department to exercise its options.

Section 5. The department shall promulgate regulations for the implementation, administration and enforcement of this chapter.

Section 6. The department shall annually file a report with the house and senate committees on ways and means, the joint committee on housing and the joint committee on bonding, capital expenditures and state assets detailing all expenditures from the fund including, but not limited to, the recipient of the funds, the cost of administration and the number of units constructed, acquired and rehabilitated.

#### CHAPTER 121F

##### *HOUSING STABILIZATION AND INVESTMENT TRUST FUND*

Section 1. As used in this chapter the following words shall, unless the context clearly requires otherwise, have the following meanings:-

"Area median income", income as determined, from time to time, by the United States Department of Housing and Urban Development.

"Department", the department of housing and community development.

"Fund", the Housing Stabilization and Investment Trust Fund established in section 2.

Section 2. (a) There shall be within the department a separate fund to be known as the Housing Stabilization and Investment Trust Fund. The department shall administer the fund and shall ensure that funds are distributed among urban, suburban and rural areas with a particular emphasis on the local and regional needs for the purpose of undertaking projects to develop and support affordable housing developments and homeownership affordability, through the acquisition, preservation and rehabilitation of affordable housing. The program may include assistance for projects to stabilize and promote reinvestment in cities and towns including, but not limited to, acquisition, rehabilitation and preservation of foreclosed and distressed properties and any other techniques necessary to achieve reinvestment; provided, further, that funds from this item may be expended for the purpose of energy audits and housing modifications to achieve energy efficiency and conservation. The fund shall be an expendable trust fund and shall not be subject to appropriation.

(b) There shall be credited to the fund, revenue from appropriations or other monies authorized by the general court and specifically designated for the fund and any gifts, grants, private contributions, repayment of loans, fees and charges imposed relative to the making of loans, grants, subsidies, credit enhancements and other financial assistance, investment income earned on the

fund's assets and any other sources. Money remaining in the fund at the end of a fiscal year shall not revert to the General Fund.

(c) The department shall provide assistance from the fund using only the criteria established in this chapter for projects owned or sponsored by nonprofit or for-profit organizations including, but not limited to, projects that involve complex multiple-source financing or the preservation of existing affordable housing; provided, however, that no assistance shall be authorized unless the sponsor thereof is current on all existing mortgage obligations with the commonwealth or any political subdivision thereof. The department shall enter into agreements with Massachusetts Housing Partnership Fund established in section 35 of chapter 405 of the acts of 1985 or the Community Economic Development Assistance Corporation established in chapter 40H to provide assistance from the fund for projects owned or sponsored by nonprofit organizations.

Section 3. (a) The fund shall finance low and no interest loans, grants, subsidies, credit enhancements and other financial assistance for alternative forms of rental and ownership housing; provided, however, that assistance shall be the minimum amount necessary to make a project feasible. The fund shall be used for: (1) a revolving rehabilitation loan program to support the revitalization of certain abandoned or severely distressed privately-owned residential housing for which a court appointed, nonprofit receiver has been selected pursuant to chapter 111; provided, however, that the program may include activities necessary to make essential repairs and to pay operating expenses necessary to maintain habitability of the housing units in order to prevent abandonment and deterioration of the housing in primarily low and moderate income neighborhoods; provided further, that the loans may be administered by the department through contracts with the Community Economic Development Assistance Corporation established in chapter 40H and through contracts with the Massachusetts Housing Partnership Fund established in section 35 of chapter 405 of the acts of 1985; and provided further, that recipients may enter into subcontracts to administer the contracts with other for-profit or nonprofit organizations; and (2) loans to nonprofit developers for the acquisition of property to provide or preserve affordable housing; provided, however, that loan program may be administered by the department through contracts with the Community Economic Development Assistance Corporation; provided further, that the program may include acquisition, financing and other holding costs, interim management costs and operating costs and may also be used by the Community Economic Development Assistance Corporation to secure, collateralize or reserve against other financing obtained by the Community Economic Development Assistance Corporation to support those costs; provided further, that not less than 50 per cent of the beneficiaries of the housing shall be persons whose income is not more than 80 per cent of the area median income and not less than 25 per cent of the beneficiaries of the housing shall be persons whose income is not more than 30 per cent of that area median income.

(b) Activities eligible for assistance from the fund shall include, but not be limited to: (1) projects to develop and support affordable housing developments and homeownership affordability, through the acquisition, preservation and rehabilitation of affordable housing; (2) projects to stabilize and promote reinvestment in cities and towns including, but not limited to, acquisition, rehabilitation and preservation of foreclosed and distressed properties and any other techniques necessary to achieve reinvestment; (3) the preservation of affordable housing developments which are or were subject to prepayment or payment of a state or federally-assisted mortgage or which are receiving project-based rental assistance under section 8 of the United States Housing Act of 1937, 42 U.S.C. section 1437f, and the rental assistance is expiring or which have received other project-based federal or state subsidies which are terminating or have terminated; provided, however, that property eligible for assistance shall include housing where the prepayment or payment of a state or federally-assisted mortgage or the expiration of federal low income housing tax credits or other federal or state subsidies would lead or has led to the termination of a use agreement for low income housing or in which a project-based rental assistance contract is expiring or has expired; provided further, that the department, in consultation with nonprofit organizations, the Community Economic Development Assistance Corporation, the Massachusetts Housing Finance Agency and the Massachusetts Housing Partnership Fund shall identify those projects at greatest risk of prepayment, payment, termination of subsidies and use restrictions, or nonrenewal of rental assistance; provided further, that funding priority shall be based on at-risk criteria to be determined by the department and set forth in regulations promulgated by the department; (4) for grants to cities and towns to assist with the costs of demolishing certain privately-owned vacant and abandoned buildings that have been found to be uninhabitable and not economically feasible to rehabilitate and which the city or town may demolish pursuant to sections 127A and 127B of chapter 111 or sections 6 to 9, inclusive, of chapter 143 and the regulations promulgated thereunder or which have been taken by the city or town for taxes; and provided further, that any such demolition shall be undertaken in accordance with a neighborhood revitalization plan adopted by the city or town after a public hearing and after approval by the department which provides for the rehabilitation and

development of housing in the areas in which the demolition is being undertaken; (5) to support the rehabilitation of owner-occupied 1 to 4-family dwellings and the acquisition and rehabilitation of those properties by persons of low or moderate income; provided, however, that the program may include, but shall not be limited to, direct loans, loan guarantees and loan loss reserves; provided further, that the objective of the program shall include the following: (a) projects shall rely, to the greatest extent possible, on bank financing and other taxable financing to support the costs of such acquisition and rehabilitation; (b) coordinating the delivery of such financing and related rehabilitation services with cities and towns that provide such assistance utilizing federal community development block grants, federal HOME funds and other resources; (c) expediting and simplifying the process by which home buyers may obtain financial and technical assistance for acquisitions and rehabilitation; and (d) ensuring that adequate provisions are in place to assure that rehabilitation is completed in a timely and professional manner and to protect homeowners from excessive acquisition and rehabilitation costs; (6) for deferred payment second mortgage loans to support the acquisition and rehabilitation or new construction of small multifamily rental properties pursuant to the Permanent PLUS Program to be administered by the department through contracts with the Massachusetts Housing Partnership Fund; provided, however, that the Massachusetts Housing Partnership Fund shall enter into agreements to ensure that: (i) at least 20 per cent of the units shall be affordable to persons whose income is less than 50 per cent of the area median income; (ii) at least 40 per cent of the units are affordable to persons whose income is less than 60 per cent of the area median income; or (iii) at least 50 per cent of the units are affordable to persons whose income is less than 80 per cent of the area median income; and (7) homeownership opportunity program in item 3322-8880 of section 2 of chapter 110 of the acts of 1993.

(c) Assistance provided through the program may be made in a manner which qualifies the assistance as a matching contribution under Section 220 of the HOME Investment Partnership Act Title II of the Cranston-Gonzalez National Affordable Housing Act including, in the case of assistance provided in the form of a loan, a commitment to repay the loan to the commonwealth's HOME Investment Trust Fund established pursuant to Section 92.5000(o) of the regulations of the United States Department of Housing and Urban Development.

(d) Loans pursuant to this chapter may be provided to an agency, department, board, commission, authority or instrumentality of the commonwealth or any political subdivision thereof, to housing authorities, nonprofit agencies certified by the United States Department of Housing and Urban Development as community housing development organizations, community development corporations and limited equity cooperative housing corporations established pursuant to chapter 157B of the General Laws. The recipients may enter into subcontracts to carry out the purposes of the contract with other for-profit or nonprofit organizations. Prior to providing assistance, the department shall find that: (1) the housing would not, by private enterprise alone and without government assistance, be available to lower income families and individuals; (2) the amount of assistance appears to be the minimum amount necessary to make the housing development feasible; (3) with respect to rental housing, the operations of the owner and its articles of organization and by-laws and any changes to either shall be subject to regulation by the department; and (4) the housing shall remain affordable for its useful life as determined by the department. The housing shall be considered affordable if, during the first 40 years after assistance is first provided, substantially all of the assisted units shall be rented to or owned by families and individuals whose income at initial occupancy is not more than 80 per cent of the area median income for the federal housing programs and that thereafter the units shall be rented or sold, subject to such restrictions on appreciation as determined by the department to be reasonable and necessary to maintain long-term affordability, to families or individuals at incomes at or below 100 per cent of the area median income.

Section 4. For 120 days after the expiration of affordability restrictions on housing assisted under this section, the department or its assignee, who is a qualified developer selected pursuant to the terms of this section under the guidelines of the department, shall have an option to purchase that property at its current appraised value, less any remaining obligations of the owner upon the expiration of the affordability restrictions. The department or its assignee may purchase or acquire the housing only for the purposes of preserving or providing affordable housing. Failure to exercise the purchase option within the 120-day period shall constitute a waiver of the purchase option by the department or its assignee. Two impartial appraisers shall determine, within 60 days after the expiration of the affordability restrictions, the current appraised value in accordance with recognized professional standards. Two professionals in the field of multi-unit residential housing shall each select an appraiser. The owner and the department, respectively, shall each designate a professional within 30 days after the expiration of the affordability restrictions. If there is a difference in the valuations, the valuations shall be added together and divided by 2 to determine the current appraised value of the property. No sale, transfer or other disposition of the property shall be consummated until either the purchase option period shall have expired or the owner shall have

been notified, in writing, by the department or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the department or its assignee, mailed to the owner by certified mail at the address specified in the notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period. If the purchase option has been assigned to a qualified developer selected pursuant to this section, the written notice shall state the name and address of the developer and the terms and conditions of the assignment. Before any sale or transfer or other disposition of the housing where the department has not previously exercised an option to purchase, an owner shall offer the department or its assignee, who shall be a qualified developer selected pursuant to this section, a first refusal option to meet a bona fide offer to purchase the property. The owner shall provide to the department or its assignee written notice by regular and certified mail, return receipt requested, of the owner's intention to sell, transfer or otherwise dispose of the property. The department or its assignee shall hold such the refusal option for the first 120 days after receipt of the owner's written notice of intent to transfer the property. Failure to respond to the written notice of intent to sell, transfer or otherwise dispose of the property within the 120-day period after the receipt thereof shall constitute a waiver of first refusal option by the department. No sale, transfer or other disposition of the property shall be consummated until either the first refusal option period shall have expired or the owner shall have been notified in writing by the department or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the department or its assignee, mailed to the owner by certified mail at the address specified in the notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period. If the first refusal option has been assigned to a qualified developer selected pursuant to this section, the written notice shall state the name and address of the developer and the terms and conditions of the assignment. An affidavit before a notary public that the notice of intent was mailed on behalf of the owner shall conclusively establish the manner and time of the giving of notice the affidavit and notice that the option shall not be exercised shall be recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located. Each notice of intention, notice of exercise of the purchase option or first refusal option and notice that the purchase option or first refusal option shall not be exercised shall contain the name of the record owner of the property and as reasonable description of the premises to be sold or converted and each affidavit, signed before a notary public, shall have attached to it a copy of the notice of intention to which it relates. The notices of intention shall be mailed to the relevant parties in the care of the keeper of records for the party in question. Upon notifying the owner in writing of its intention to exercise its purchase option or first refusal option during the 120-day period, the department or its assignee shall have an additional 120 days, beginning on the date the purchase option period or first refusal option period expires, to purchase the property. Those time periods may be extended by mutual agreement between the department or its assignee and the owner of the property. Any extension agreed upon shall be recorded in the registry of deeds or the registry district of the land court of the county in which the affected real property is located. Within a reasonable time after requesting an extension, the owner shall make available to the department or its assignee any information that is reasonably necessary for the department to exercise its options.

Section 5. The department shall promulgate regulations for the implementation, administration and enforcement of this chapter including, but not limited to, regulations relative to grants to cities and towns for the demolition of certain vacant and abandoned buildings and procedures for neighborhood revitalization plans.

Section 6. The department shall annually file a report with the house and senate committees on ways and means, the joint committee on housing and the joint committee on bonding, capital expenditures and state assets detailing all expenditures from the fund including, but not limited to, the recipient of the funds, the cost of administration and the number of units constructed, acquired and rehabilitated.

#### CHAPTER 121G

##### *CAPITAL IMPROVEMENT AND PRESERVATION TRUST FUND*

Section 1. As used in this chapter the following words shall, unless the context clearly requires otherwise, have the following meanings:-

"Area median income", income as determined by the United States Department of Housing and Urban Development.

"Department", the department of housing and community development.

"Fund", the Capital Improvement and Preservation Trust Fund established in section 2.

Section 2. (a) There shall be within the department a separate fund to be known as the Capital Improvement and Preservation Trust Fund. The department shall administer the fund for the purpose of preserving and improving existing

privately-owned, state or federally-assisted housing. Property eligible for assistance shall include housing where the prepayment or payment of a state or federally-assisted mortgage or the expiration of federal or state low-income housing tax credits or other federal or state subsidies would lead or has led to the termination of a use agreement for low-income housing or in which a project-based rental assistance contract is expiring or has expired. Preference for the loans or grants from the fund shall be given to nonprofit organizations and housing authorities seeking to purchase eligible property. The fund shall be an expendable trust fund and shall not be subject to appropriation.

(b) There shall be credited to the fund, revenue from appropriations or other monies authorized by the general court and specifically designated for the fund and any gifts, grants, private contributions, repayment of loans, fees and charges imposed relative to the making of loans or grants, subsidies, credit enhancements and other financial assistance, investment income earned on the fund's assets and any other sources. Money remaining in the fund at the end of a fiscal year shall not revert to the General Fund.

(c) The department shall provide assistance from the fund using only the criteria established in this chapter for projects owned or sponsored by nonprofit or for-profit organizations including, but not limited to, projects that involve complex multiple-source financing or the preservation of existing affordable housing; provided, however, that no assistance shall be authorized unless the sponsor thereof is current on all existing mortgage obligations with the commonwealth or any political subdivision thereof. The department shall enter into agreements with the Community Economic Development Assistance Corporation established in chapter 40H to provide assistance from the fund for projects owned or sponsored by nonprofit organizations.

Section 3. The department, in consultation with nonprofit organizations, the Community Economic Development Assistance Corporation established in chapter 40H, the Massachusetts Housing Finance Agency established in chapter 708 of the acts of 1966 and the Massachusetts Housing Partnership Fund established in section 35 of chapter 405 of the acts of 1985 shall identify those projects at greatest risk of prepayment or nonrenewal of rental assistance and shall grant preference in allocating funds pursuant to this chapter to those projects. The department shall enter into agreements to ensure that not less than 50 per cent of the units in such housing shall be occupied and affordable to persons of income of 80 per cent or less of the area median income and that not less than 10 per cent of such affordable units is available and affordable to households with income of 50 per cent or less of the area median income or such greater percentage of units as required by the Massachusetts Housing Finance Agency or the United States Department of Housing and Urban Development regulations. The department may enter into subcontracts with community development corporations, for-profit organizations or nonprofit organizations to carry out the purposes of the grants and loans and shall enter into contracts with the Community Economic Development Assistance Corporation, the Massachusetts Housing Finance agency and the Massachusetts Housing Partnership Fund. A portion of the funds may be allocated in the form of predevelopment grants or loans from the Community Economic Development Assistance Corporation and the Massachusetts Housing Partnership Fund to nonprofit purchasers of the housing. The housing shall remain affordable for not less than 40 years or for such longer period, based upon the useful life of the housing as determined by the department, as may be specified in the applicable recorded restriction at the registry of deeds or the registry district of the land court of the county in which the affected real property is located.

Section 4. The department shall promulgate regulations for the implementation, administration and enforcement of this chapter.

Section 5. The department shall annually file a report with the house and senate committees on ways and means, the joint committee on housing and the joint committee on bonding, capital expenditures and state assets detailing all expenditures from the fund, including, but not limited to, the recipient of the funds, the cost of administration, and the number of units constructed, acquired and rehabilitated.

SECTION 7. The second sentence of subsection (a) of section 11 of chapter 27 of the acts of 2007 is hereby amended by adding the following words:- or unless he determines, in his sole discretion, that doing so is advisable to substitute fixed-rate bonds for variable-rate bonds or 1 form of variable-rate bonds for another.

SECTION 8. The second sentence of subsection (c) of said section 11 of chapter 27 is hereby amended by adding the following words:- , if any.

SECTION 9. Notwithstanding any general or special law to the contrary, the secretary of housing and economic development and the secretary for administration and finance shall jointly submit a report on the progress of all projects and expenditures related to the funds available in this act or any outstanding authorizations from prior authorization act for housing projects, and undertaken by the executive office of housing and economic development or any of its constituent agencies to the house and senate committees on ways and means, the joint committee on bonding, capital expenditures and state assets and the joint committee on housing. This report shall include, but not be limited to: the address, the nature of the work and scope of work of each

project funded in this act, the total amount allocated for each project broken down by fiscal year in which the allocation occurred, the total estimated cost of each project, the amount expended for the planning and design of each project up to the time the report is filed, the amount expended on construction of each project up to the time the report is filed, the total amount currently expended on each project, a schedule of life cycle standards for each completed project, the original estimated completion date of each project, the current anticipated completion date of each project and, if the project has been de-authorized, the reason for and date of de-authorization. The information required in this report shall be current as of 30 days before the submission of the report and the report shall be submitted bi-annually for 6 years after the effective date of this act.

SECTION 10. Notwithstanding any general or special law to the contrary, to meet the expenditures necessary in carrying out section 2, the state treasurer shall, upon receipt of a request by the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, \$1,275,000,000. All bonds issued by the commonwealth, as aforesaid, shall be designated on their face, Housing Production, Preservation, Modification and Neighborhood Development Loan Act of 2008, and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds shall be payable not later than June 30, 2043. All interest and payments on account of principal on such obligations shall be payable from the General Fund. Bonds and interest thereon issued under the authority of this section shall, notwithstanding any other provision of this act, be general obligations of the commonwealth. An amount not to exceed 2 per cent of the authorizations may be expended by the department of housing and community development for administrative costs directly attributable to the purposes of this act, including costs of clerical and support personnel. The director of the department of housing and community development shall file an annual spending plan with the fiscal affairs division, the house and senate committees on ways and means, the joint committee on bonding, capital expenditures and states assets and the joint committee on housing which details, by subsidiary, all personnel costs and any administrative costs charged to expenditures made pursuant to this act.

SECTION 11. Notwithstanding any general or special law to the contrary, within 120 days after the expiration of affordability restrictions on housing assisted under items 7004-0029 and 7004-0030 of section 2, the department of housing and community development or its assignee, who is a qualified developer selected pursuant to the terms of said items 7004-0029 and 7004-0030 of said section 2 under the guidelines of the department, shall have an option to purchase any such housing at its current appraised value reduced by any remaining obligation of the owner upon the expiration of the affordability restrictions. The department or its assignee may purchase or acquire such housing only for the purposes of preserving or providing affordable housing. The department or its assignee shall hold such purchase option for the first 120 days after the expiration of the affordability restrictions. Failure to exercise the purchase option within 120 days after the expiration of the affordability restriction shall constitute a waiver of the purchase option by the department or its assignee. Two impartial appraisers shall determine, within 60 days after the expiration of the affordability restrictions, the current appraised value in accordance with recognized professional standards. Two professionals in the field of multi-unit residential housing shall each select an appraiser. The owner and the department, respectively, shall each designate a professional within 30 days after the expiration of these affordability restrictions. If there is a difference in the valuations, the valuations shall be added together and divided by 2 to determine the current appraised value of the property. No sale, transfer or other disposition of the property shall be consummated until either the purchase option period shall have expired or the owner shall have been notified, in writing, by the department or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the department or its assignee, mailed to the owner by certified mail at address specified in the notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period. If the purchase option has been assigned to a qualified developer selected pursuant to said items 7004-0029 and 7004-0030 of section 2, the written notice shall state the name and address of the developer and the terms and conditions of the assignment. Before any sale or transfer or other disposition of the housing where the department has not previously exercised an option to purchase, an owner shall offer the department or its assignee, who shall be a qualified developer selected pursuant to this section, a first refusal option to meet a bona fide offer to purchase the property. The owner shall provide to the department or its assignee written notice by regular and certified mail, return receipt requested, of the owner's intention to sell, transfer or otherwise dispose of the property. The department or its assignee shall hold the first refusal option for the first 120 days after receipt of the owner's written notice of intent to transfer the property. Failure to respond to the written

notice of intent to sell, transfer or otherwise dispose of the property within the 120-day period shall constitute a waiver of the right of first refusal by the department. No sale, transfer or other disposition of the property shall be consummated until either this first refusal option period shall have expired or the owner shall have been notified in writing by the department or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the department or its assignee, mailed to the owner by certified mail at the address specified in the notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period. If the first refusal option has been assigned to a qualified developer selected pursuant to said items 7004-0029 and 7004-0030 of section 2, the written notice shall state the name and address of the developer and the terms and conditions of the assignment. An affidavit before a notary public that the notice of intent was mailed on behalf of an owner shall conclusively establish the manner and time of the giving of notice the affidavit and notice that the option shall not be exercised shall be recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located. Each notice of intention, notice of exercise of the purchase option or first refusal option and notice that the purchase option or first refusal option shall not be exercised shall contain the name of the record owner of the property and a reasonable description of the premises to be sold or converted of and each affidavit signed before a notary public, shall have attached to it a copy of the notice of intention to which it relates. The notices of intention shall be mailed to the relevant parties, in the care of the keeper of records for the party in question. Upon notifying the owner in writing of its intention to exercise its purchase option or first refusal option during the 120-day period, the department or its assignee shall have an additional 120 days, beginning on the date the purchase option period or first refusal option period expires, to purchase the property. Those time periods may be extended by mutual agreement between the department or its assignee and the owner of the property. Any extension agreed upon shall be recorded in the registry of deeds or the registry district of the land court of the county in which the affected real property is located. Within a reasonable time after requesting an extension, the owner shall make available to the department or its assignee any information that is reasonably necessary for the department to exercise its options.

SECTION 12. Notwithstanding any general or special law to the contrary, not later than July 1, 2008, and annually thereafter, the director of housing and community development shall submit to the secretary of administration and finance, the house and senate committees on ways and means, the joint committee on housing and the joint committee on bonding, capital expenditures and state assets a capital plan for fiscal years 2009 to 2013, inclusive, for capital funds authorized in section 2.

SECTION 13. Notwithstanding any general or special law to the contrary, the unexpended and unencumbered balances of the bond-funded authorizations in the following accounts shall cease to be available for expenditure 90 days after the effective date of this act: 3722-8865, 3722-8871, 3722-8872, 3722-8873, 3722-8875, 3722-8891, 3722-8892, 3722-8896, 4000-7998, 4000-8200, 4000-8201, 4000-8202, 7004-0021, 7004-0022, 7004-6666, 7004-7011, 7004-7012, 7004-7013, 7004-7014, 7004-7015, 7004-7016, 7004-7018, 7004-8984, 7004-8985.

SECTION 14. Notwithstanding any general or special law to the contrary, a private entity engaged in a construction, development, renovation, remodeling, reconstruction, rehabilitation or redevelopment project receiving funds pursuant to this act shall properly classify individuals employed on the project and shall comply with all laws concerning workers' compensation insurance coverage, unemployment insurance, social security taxes and income taxes with respect to all such employees. All construction contractors engaged by an entity on any such project shall furnish documentation to the appointing authority showing that all employees employed on the project have hospitalization and medical benefits that meet the minimum requirements of the connector board established in chapter 176Q of the General Laws.

**Approved May 28, 2008.**